

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7956

BILL NUMBER: SB 528

DATE PREPARED: Jan 14, 1999

BILL AMENDED:

SUBJECT: Tobacco sales.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: This bill provides that an individual who is less than 18 years of age may not enter a retail establishment if at least 50% of the establishment's revenues are generated from the sale of tobacco products. It requires that an individual be at least 18 years of age to sell tobacco products. It also requires that all tobacco products for sale in a retail establishment not be accessible to customers.

This bill provides that a person who owns or has control over an establishment selling tobacco products at retail: (1) must place all tobacco products in a location so that only the employees of the retail establishment may have access to the tobacco products; and (2) commits a Class B infraction for failing to place all tobacco products out of the reach of the establishment's customers. It also provides that an individual who knowingly sells or distributes tobacco to a person less than 18 years of age commits a Class B infraction. (Current law makes this violation a Class C infraction.)

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: This bill creates a new Class B infraction and enhances the current Class C infraction for underage distribution of tobacco to a Class B infraction. Revenue to the state General Fund could increase for the Class C to Class B infraction change and new B infraction. The maximum judgment for a Class C infraction is \$500 while the maximum judgment for a Class B infraction is \$1,000. Proceeds from infraction judgments are deposited in the state General Fund.

If additional court actions are filed and judgments entered, court fees of \$70 would be assessed for each. 70% of these court fees would be deposited in the state General Fund for cases filed in a court of record or 55% for cases filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.(2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected:

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: The Indiana Code.